(a) whether Government propose to review SCICI's performance in the fishery sector;

(b) whether it is a fact that SCICI has lost interest in both shipping and fishing sectors;

(c) if so, what are the reasons for not winding up SCICI;

(d) whether its present operations are only duplication of the work of better reputed public financial institutions; and

(e) the measures proposed to assess, the need of SCICI in present context?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) SCICI is governed by policies as decided by its Board of Directors from time to time. In so far as loans granted to shipping and fishing companies by erstwhile Shipping Development Fund Committee are concerned, SCICI acts as an agent (designated person) of Government for recovery/ administration of portfolio.

(b) and (d) SCICI has reported that it has not lost interest in the shipping and fishing sectors and is interested in the overall development of these sectors and would extend the required support for any viable project. While shipping and fishing industries remain the focus areas of SCICI's operations, SCICI had diversified its lending activities to all sectors of the economy with a view to diversify its risks and build up a healthy portfolio.

(c) and (e) Do not arise.

Penalty imposed on bank incurring losses

2312. SHRI MOOLCHAND MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has imposed penalty on bank incurring losses;

(b) if so, the details thereof;

(c) whether these banks have requested the RBI to waive the penalty; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Reserve Bank of India (RBI) has reported that it has not imposed any penalty on banks incurreing losses.

(b) to (d) Do not arise.

Busting of share fraud by CBI

2313. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news items titled "CBI busts big time share fraud" appearing in the 'Indian Express' dated the 17th October, 1994;

(b) if so, the facts thereof; and

(c) the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) and (c) The Central Bureau of Investigation (CBI) has indicated that Shri Biman Kumar Aich, a sub-broker in connivance with Shri Ranjit Kumar Das, an officer of Bank of Inida, Main Branch in Bhubneswar substituted fresh share applications in the names of different persons against cheques and drafts presented by genuine applicants in respect of 212 applications for public issues of 11 companies during April and July 1994. On this basis, these companies issued share certificates and refund orders, and the refund orders were encashed through fictitious accounts opened in various banks in Bhubaneswar. Both Shri Aich and Shri Das were arrested and sent to judicial custody. A case has been registered in this regard in the Bhubneswar Branch of CBI.

Economic Reforms and Capital Flow

2314. PROF. VIJAY KUMAR MALHOTRA: Will the Minister of FINANCE be pleased to state:

(a) whether the economic reforms programme of Government has not yielded the desired results but instead has opened up private capital flow;

(b) whether there is inherent danger in depending upon so much at such flows in view of the Mexico's experience; and

(c) if so, whether there is any proposal to review the economic reforms programme?